

IN THE SPECIFICATION

Please change Table 1 on page 4 to read as shown below:

Table 1

Subset of Enterprise Value		Valuation Methodology
• Excess Cash & Marketable Securities		GAAP
• Total current-operation value (COPTOT):		Income Valuation
• Real Options		Real option algorithms
• Market Sentiment		Market Value* – (COPTOT + Σ Real Option Values + Excess Cash)
Financial Assets:	Cash & Marketable Securities (CASH)	GAAP
Financial Assets:	Accounts Receivable (AR)	GAAP
Financial Assets:	Inventory (IN)	GAAP
Financial Assets:	Prepaid Expenses (PE)	GAAP
Financial Assets:	Other Assets (OA)	Lower of GAAP or liquidation value
Elements of value:	Production Equipment (PEQ)	If calculated value > liquidation value, then use system calculated value, else use liquidation value
Elements of value:	Intangible Elements (IE): Alliances, Brands, Customers, Customer Relationships, Employees, Vendors, Strategic Employee Relationships, Infrastructure, Intellectual Property, Information Technology, Partnerships, Brands, Processes, Vendors, Vendor Relationships & Other Intangibles	System calculated value for each IE
Elements of value:	General Going Concern Value (GCV)	$GCV = COPTOT - CASH - AR - IN - PE - PEQ - OA - \Sigma IE$

- The user also has the option of specifying the total value

Please change the paragraph before Table 5 and Table 5 on page 14 to read as show below:

Analysis bots are used to determine element of value lives and the percentage of: the revenue value, the expense value, and the capital value that are attributable to each element of value. The resulting values are then added together to determine the valuation for different elements element of values as shown by the example in Table 5.

Table 5

Gross Value	Percentage	Element Life/CAP*	Net Value
Revenue value = \$120M	20%	80%	Value = \$19.2 M
Expense value = (\$80M)	10%	80%	Value = (\$6.4) M
Capital value = (\$5M)	5%	80%	Value = (\$0.2) M
Total value = \$35M			
Net value for this element: <u>of value</u> :			Value = \$12.6 M

*CAP = Competitive Advantage Period

Please change items 3, 4 and 8 on page 15 to read as shown below:

3. Determine the appropriate discount rate on the basis of relative causal element of value strength and value the enterprise real options and contingent liabilities;
4. Determine the appropriate discount rate, value and allocate the industry real options to the enterprise on the basis of relative causal element of value strength;
- and
8. Combine the results of the fifth, sixth and seventh stages of processing to determine the value of each element of value and sub-element of value (as shown in Table 5);
- and

Please change items 3, 4 and 8 on page 44 to read as shown below:

3. Determine the causal factors for industry value, determine the appropriate interest rate, value and allocate the industry real options to each enterprise on the basis of relative element of value strength;
4. Determine the appropriate interest rate on the basis of relative causal element of value strength and value the enterprise real options;
- and
8. Combine the results of the fifth, sixth and seventh stages of processing to determine the value of each, enterprise contribution, element of value and sub-element of value (as shown in Table 5);

Please change Table 26 and the fourth sentence after Table 26 on page 52 to read as shown below:

Table 26

1. Unique ID number (based on date, hour, minute, second of creation)
2. Creation date (date, hour, minute, second)
3. Mapping information
4. Storage location
5. Component or subcomponent of value
6. Enterprise, Element <u>of value</u> or Sub-Element <u>of value</u> ID
7. Variable set
8. Causal model type

After the causal model bots complete their processing for each model, the software in block 309 uses a model selection algorithm to identify the model that best fits the data for each enterprise, element of value or sub-element of value being analyzed.

Please change Table 27 and the fourth sentence after Table 27 on page 54 to read as shown below:

Table 27

1. Unique ID number (based on date, hour, minute, second of creation)
2. Creation date (date, hour, minute, second)
3. Mapping information
4. Storage location
5. Component or subcomponent of value
6. Cluster (ID) and/or Regime (ID)
7. Enterprise, Element of value or Sub-Element of value ID
8. Variable set
9. Causal model type

After the causal model bots complete their processing for each model, the software in block 311 uses a model selection algorithm to identify the model that best fits the data for each enterprise, element of value or sub-element of value being analyzed.

Please change the second sentence on the last paragraph on page 55 to read as shown below:

In the case of vector generation bots, their primary task is to produce formulas, (hereinafter, vectors) that summarize the relationship between the item variables, item performance indicators and composite variables for the element of value or sub-element of value and changes in the component or sub-component of value being examined.